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House of Representatives

The House was not in session today. Its next meeting will be held on Monday, September 19, 2011, at 12 noon.

Senate

FRIDAY, SEPTEMBER 16, 2011

The Senate met at 10 a.m. and was called to order by the Honorable HARRY REID, a Senator from the State of Nevada.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal Lord God, You are our light and salvation. We will not fear. You protect us from dangers, seen and unseen. We will not be afraid.

You know the pressures and tensions that beset our Nation and the need for Your wisdom on Capitol Hill. Make all of us worthy of the high calling You have given us to be faithful stewards of the responsibilities before us to serve You and our country. Inspire our lawmakers to seek to serve, rather than being served, following Your example of humility and sacrifice.

We pray in Your sacred Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JOE MANCHIN III led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. INOUE).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, September 16, 2011.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOE MANCHIN III, a Senator from the State of West Virginia, to perform the duties of the Chair.

DANIEL K. INOUE,
President pro tempore.

Mr. MANCHIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

SCHEDULE

Mr. REID. Mr. President, following leader remarks, the Senate will be in a period of morning business, with Senators permitted to speak for up to 10 minutes each. There will be no votes today. The next vote will be on Monday, September 19, at 5:30 p.m.

We believe we will begin consideration of the trade adjustment assistance bill on Monday. We are working on procedures to get to that today.

We have a lot to do. Next Friday, we have to have a continuing resolution passed in this body. We had a good week this week. We were able to get the highway bill extended for 6 months, the Federal Aviation Administration for 4 months, and, of course, we were able to have that significant vote on

FEMA legislation so vitally important to our entire country. It is interesting to note that the President has had emergency declarations of disasters in 48 States. The Presiding Officer's is one of those that did not have one, as well as the State of Michigan.

MEASURE PLACED ON THE CALENDAR—H.R. 2587

Mr. REID. Mr. President, H.R. 2587 is at the desk and is due for a second reading.

The ACTING PRESIDENT pro tempore. The clerk will read the bill by title for the second time.

The bill clerk read as follows:

A bill (H.R. 2587) to prohibit the National Labor Relations Board from ordering any employer to close, relocate, or transfer employment under any circumstance.

Mr. REID. Mr. President, I would object to any further proceedings in regard to this matter at this time.

The ACTING PRESIDENT pro tempore. Objection is heard.

The bill will be placed on the calendar.

NATIONAL POW/MIA RECOGNITION DAY

Mr. REID. Mr. President, today we pay tribute to the American men and women who traveled abroad to defend this great Nation but never returned home to our shores. We also honor those who have suffered as prisoners of war. We are grateful to them every day. Today, which is National POW/MIA Recognition Day, we dedicate our remembrance to their sacrifice.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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I had the good fortune to be appointed in 1992 by Majority Leader Mitchell to be a member of the Select Committee on MIA/POW. The committee was chaired by JOHN KERRY, and it was a wonderful experience for a number of reasons, not the least of which was to watch Senator KERRY because I really, frankly, didn't know him very well. I had been in the Senate for a few years, but when you work here, sometimes you don't really understand how good people are until you work with them on a really close-knit basis, as I did with him because of that appointment.

He did a magnificent job of chairing that committee. Of course, he had some standing to look at what went on in Vietnam since he was wounded three times and had a number of Silver Stars for his heroism in Vietnam. But legislatively that was a great experience for that year, to look to see what had happened in Southeast Asia all over, not only Vietnam, Laos, and Cambodia, but people who had been taken prisoner of war and certainly, if not, were missing in action. It was a good experience for me, and I will always remember that. So this day, National POW/MIA Recognition Day, recalls those memories of many years ago of the hearings we held and the evidence we gathered to make a decision as to what really took place there.

More than 83,000 Americans are missing from World War II, Korea, the Cold War, Vietnam, and, of course, the gulf war. There are also soldiers, sailors, and marines reported missing from our wars in Afghanistan and Iraq that are going on right now. We should not and we will not rest until we have accounted for every missing American servicemember who has fought to protect the freedoms we enjoy as Americans. Although they are missing, they are not forgotten.

It is difficult to comprehend the suffering of families who have lost loved ones. I am hopeful and somewhat confident that it is a comfort to them today to know we give thanks and praise for their dedication to the ideals upon which this Nation was founded. That is why today we commemorate the sacrifices made by those families as well as the soldiers they loved.

I also give thanks for the brave men and women who wear the uniforms of the U.S. armed services today, including more than 2,000 Nevadans currently deployed around the world—not in the service but Nevadans deployed around the world. Anything worth having, of course, is worth defending, and our freedom is one of the most precious.

So today we thank those volunteers who have placed themselves in harm's way to protect this great country. Many of them have paid the ultimate price for our liberty. So today and every day they have the thanks of a grateful Nation, but especially today, for their faithful and selfless service to their country.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will be in a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

DEFICIT REDUCTION

Mr. LEVIN. Mr. President, yesterday I spoke on the floor about the need to restore revenue as part of our deficit reduction efforts. I explained that I have sent a letter to the members of the Joint Select Committee, now crafting a deficit reduction plan, with seven ideas on how to address our revenue shortfall in ways that reduce the deficit, protect economic growth, and ensure that the sacrifices which are necessary to achieve our budget goals are shared broadly among the American people. Together, these proposals would reduce deficits on the order of \$1 trillion over 10 years.

Today I want to go into greater detail on two of those ideas to address loopholes and tax breaks that are as damaging to our budget as they are unfair to working families. One proposal would stop corporations and individuals from using offshore tax gimmicks to dodge the taxes they owe. The other proposal would close a loophole that gives corporations a huge tax break when they award stock options to their executives, effectively using the hard-earned tax dollars of American families to subsidize the paychecks of CEOs and other top executives.

Let's begin with the goal here, deficit reduction. Budget experts tell us we cannot close our budget gap with spending cuts alone. Revenue must play a role. These two proposals can help. The Permanent Subcommittee on Investigations, which I chair, has estimated that the use of offshore tax havens by wealthy U.S. taxpayers costs our Treasury around \$100 billion a year. I believe the legislation to address that issue can recover a significant portion of that loss. The Joint Committee on Taxation estimated that a previous version of the legislation would recover nearly \$30 billion over 10 years, but new provisions that we have included should raise that figure sig-

nificantly. Closing the stock option loophole would save \$25 billion over 10 years, according to the Joint Committee on Taxation. This revenue would help the Joint Committee in its difficult task of achieving at least \$1.2 trillion in deficit reduction and it would help restore fairness to the Tax Code without penalizing activities that contribute to economic growth or raising taxes on middle-income Americans.

Our work on the Permanent Subcommittee on Investigations has, for more than a decade, exposed the ugly truths of tax haven abuse. A single building in the Cayman Islands called the Ugland House serves as the mail drop for nearly 19,000 companies incorporated there for tax-dodging purposes. Of the 100 largest publicly traded corporations in America, 83 have subsidiaries in tax havens. Hedge funds, whose employees live right here in the United States, pretend to be based in tax havens to dodge U.S. taxes. An army of lawyers, bankers, and accountants helps U.S. taxpayers use offshore abuses to avoid taxes. All of this shifts the tax burden of these tax dodgers onto the backs of honest taxpayers.

Yesterday, the Internal Revenue Service announced that they have recently completed an offshore program where they give a degree of amnesty to people who are willing to come in and pay their taxes. Thirty thousand such people have come in since 2009, and that is the tip of the iceberg, as our Permanent Subcommittee on Investigations disclosed.

How do we combat this? Several colleagues and I have introduced legislation called the "Stop Tax Haven Abuse Act," S. 1346. Our bill will authorize the Treasury Secretary to take special measures against foreign jurisdictions or foreign financial institutions that impede U.S. tax enforcement by prohibiting U.S. financial institutions from doing business with those foreign financial institutions in uncooperative jurisdictions. It will help the IRS identify ownership and control of offshore entities. It would stop corporations whose management and control are located primarily in the United States from claiming foreign status to dodge taxes. It would prevent businesses from dodging taxes by claiming that assets physically held in the United States should be treated as offshore assets for tax purposes. And it would treat derivatives payments sent from the United States to offshore entities as taxable income. Enacting this legislation and ending these offshore abuses would penalize tax dodging, not legitimate economic activity, and it will help to bring down the deficit.

Similarly, closing the stock option loophole would not penalize productive economic activity. It would, instead, end an unaffordable Federal subsidy for corporate executive pay. Today, under tax rules for reporting stock options, corporations report stock option expenses on their books when those stock options are granted, but they use another method to claim a different—and

usually a much higher—expense on their tax returns when the stock options are exercised. The result is that corporations can usually claim far larger tax deductions for stock options pay on their tax returns than the actual expense they show on their books for those same options. They get a much bigger tax deduction for exactly the same tax option expense as they show on their books. Stock options are the only type of compensation for which the Tax Code allows a corporation to deduct as an expense for tax purposes more than what they show on their books for that same expense. IRS data shows that from 2005 to 2009, this loophole allowed companies to claim between \$11 billion and \$52 billion each year in excess tax deductions.

Legislation I have introduced with Senator SHERROD BROWN and Senator MCCASKILL would end these excess deductions by requiring corporate stock option tax deductions to equal the stock option expense shown on the corporate books for those same options. It would not affect the taxes paid by individuals who receive the stock options—their taxes would not be affected, as now they pay for the actual sales price minus their cost. It would not affect so-called incentive stock options, often used by startup companies. It would make stock option pay subject to the same \$1 million cap on corporate tax deductions that applies to other forms of executive pay. These proposals alone will put a major dent in the deficit. They would ensure that multinational corporations and wealthy individuals pay the taxes they owe, just like working Americans. If we are to seriously reduce the deficit, these kinds of tax reforms and the resulting added tax revenues must be part of the discussion. I urge my colleagues, especially those on the Joint Select Committee, to embrace these ideas.

Again, I sent a letter yesterday to the members of the joint committee, all the members, laying out these seven ideas which together will raise over \$1 trillion in 10 years.

I am going to return to the floor in the days ahead to discuss additional reforms, with the resulting revenues, that were set out in my letter to the Joint Select Committee. These changes, these reforms, this loophole closing, will help to close the gap between spending and revenues that all of us I know want to close.

I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WYDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TAX REFORM

Mr. WYDEN. Mr. President, I am going to take just a little time this morning to make some remarks with respect to the issue of tax reform and particularly try to lay out why the naysayers, those who say tax reform is not going to make any difference anytime soon or there has not been a lot of groundwork laid—those are the two major arguments they are making—I am going to try to lay out why those arguments are wrong.

To start with, they reflect a misunderstanding about markets, about free enterprise and about what drives the American economy. One of the major reasons consumers are not spending and businesses are not hiring workers is uncertainty about taxes. Enacting fundamental tax reform that encourages the use of free enterprise and markets would start changing consumers' behavior very quickly and business would be in a position in West Virginia and Oregon and everywhere else to start making judgments with respect to investment.

They cannot make judgments right now when we have these piecemeal tax changes that might last 1 year or even less. That is not the way the American economy works. Businesses in West Virginia and Oregon are thinking about investments that can last 5, 10 years and even longer and they need some certainty. I am going to spend some time talking about permanent tax reform, enacted early next year, and making a start at it with our supercommittee. We have the good fortune of having Chairman BAUCUS on it. I serve on the Finance Committee with him. Chairman DAVE CAMP, chairman of the House Ways and Means Committee is also on it. What I feel very strongly about—as does the cosponsor of the tax reform legislation I have offered, Senator COATS—is they can make a good start on tax reform in the supercommittee and I am going to outline how that could take place and then Congress could finish it up early next year.

Let's start by talking about how we might see people's behavior start changing and getting consumers back into the marketplace and businesses start making investment decisions. My own view is, if working families knew at the end of the year or early next year they would get real tax relief as we get underway with the tax legislation I have been part of with Senator COATS and Senator BEGICH and former Senator Gregg and if middle-class folks knew reduced tax rates were going to be in place not just for 1 year but for the long term, they would start making the kinds of decisions they are putting off now because they are uncertain today and they are going to be uncertain next year and the year after if we continue to make these changes in tax law by piecemeal.

My view is, if we saw permanent tax reform enacted early next year, we would see consumers making the kind

of purchases they have been postponing in major appliances, new cars, and the other investments they make when they know the economy is going to start picking up because millions of others are going to go back into the marketplace, just like themselves. When businesses see additional demand for their products, they will go out and start hiring more workers.

Let's talk for just a minute about how fundamental tax reform puts more money into the pockets of the middle class. Under the legislation I have been a part of, with two Republicans and Senator BEGICH, a typical couple making \$90,000 would pay close to \$5,000 less in taxes, according to estimates by the Congressional Budget Office.

The reason that is the case is our bipartisan tax reform triples the standard deduction for that middle-class couple. It triples the standard deduction. Let me emphasize it is permanent. I wish to say that again—permanent. It is not something that is going to be jerked away in 1 year. It is something that would be locked into the Tax Code on a permanent basis. Economists and others have repeatedly said, when we make those kinds of changes and typical families know on a permanent basis they will have more money in their pockets, they will go out and make the major purchases they have put off in West Virginia and Oregon over the last few years.

I have talked to folks at coffee shops and know the Presiding Officer spends a lot of time getting out and talking with folks in his state. When I go into coffee shops and I ask people, in particular, about why they are putting off major purchases—they talk about appliances and cars—they say: I don't know what is going to happen. I heard there was this tax break I was going to get for 1 year, and I don't know what is going to happen after that.

We need to make permanent changes in the tax law, give permanent tax relief to middle-class people, and then, based on everything we know about economics, people start changing their behavior. They are not going to do it in a big way without permanent and predictable changes, changes they can count on that will not be jerked away from them in another year or so.

The same principle goes for business. Once they know there is going to be a new tax system in place with reforms. By the way, virtually all the reform plans take the corporate rate today, which is now the second highest in the world, down to somewhere in the mid-twenties as a percentage. Senator COATS and I, with Senator BEGICH, are at 24 percent. The Bowles-Simpson proposal is a little bit higher, but everybody is pretty much in the same place. If we do that on a permanent basis, businesses will be able to start planning, and they will start planning immediately for the beneficial effects of consumers going back into the marketplace because of permanent changes in the individual Tax Code and because

they know that the tax rates are going to be lower. Once a reform tax system is signed into law, we have more certainty and we would begin to see the spending, hiring, and investment decisions that are not being made today in the American marketplace by the consumer and by business.

It would also be possible to further jump-start the process and generate economic growth even more quickly. For example, as part of permanent tax reform we could allow the consumer an advanced refund of the reduced taxes they will be getting under tax reform. The Congress did that a few years back. It helped a bit in terms of consumer demand but, again, it was short term. Since it was not combined with permanent reform of the Tax Code to provide future certainty, it didn't stimulate as much demand either in the short term or the long term as it might have if it were coupled with permanent reform. But it did help.

The bottom line is that enacting fundamental tax reform now would provide immediate benefits to the economy by ending the uncertainty that I happen to believe is strangling our prospects for real, significant, long-term economic growth. We all understand the American tax system is an anti-growth mess. It is riddled with loopholes and tax dodges. I sit on the Senate Finance Committee, and for a big part of the tax system today the language is pretty much incomprehensible gibberish. So we do need to make these changes.

Now I wish to get into this issue of whether it is not going to be possible to do tax reform now because the groundwork hasn't been laid. I am sure the distinguished Senator from West Virginia has heard this argument: Gosh, we could do it in 2013; we ought to spend more time studying it—and all of that. I will tell my colleagues that the uncertainty of putting it off again going to continue to harm the economy—in fact, I predicted after the lameduck session of the Congress in 2010 that unless we get people moving in a bipartisan way on tax reform, we would have the same debate in the lameduck session of the 2012 Congress—exactly the same debate—about whether we are going to extend the Bush tax cuts on a temporary basis.

So if we aren't successful in pushing permanent tax reform onto the agenda, that is what will happen. We will have the same debate in the lameduck session in the 2012 Congress that we had during the lameduck session in the 2010 Congress, which will be about, once again, trying to patch up this dysfunctional anti-growth tax system we have in our country.

So I wish to spend a few minutes addressing the claim that it is not possible to do tax reform now because the groundwork hasn't been done. That is awfully puzzling to me, given all of the tax reform proposals that are out there now and how similar they are. For example, when Erskine Bowles and Alan

Simpson came to the Senate Budget Committee, they said point-blank that they modeled their tax reform recommendations after the bill that Senator Gregg and I had spent week after week for 2 years working on. That was, of course, flattering. We were happy about that. But the fact is, going all the way back to some of the studies done by the Commission appointed by President George W. Bush and then highlighted by the work done for President Obama, the Volcker Commission, there has been an awful lot of common ground.

For example, the tax rates under all of these major proposals involve, on the individual side of the Tax Code, taking the country from six major brackets to three major brackets. The Bowles-Simpson proposal comes in around 12 percent for the lowest rate, 22 percent for the rate in the middle, and 29 percent for the rate at the top.

The proposal I have been part of with former Senator Gregg and Senator COATS and our colleague and friend, MARK BEGICH, we are a bit higher than that. That is because under our proposal we didn't make changes with respect to the mortgage interest deduction and the charitable deduction or the changes with respect to middle-class folks who depend on their employer for their health care and their retirement. So the point is, we have something we can have a real debate on right now.

Let me highlight one other point. We touched on it yesterday when our group of more than 30 senators got together. The Wyden-Coats-Begich proposal has been scored by the Joint Committee on Taxation, the committee that specifically looks at the impacts of changes in tax law. So if the distinguished Senator from West Virginia, the Presiding Officer of the Senate, wants to come in and make a modification in tax law—for example, adjust the rates, say, in these three brackets one way or another, because we have the numbers now from the Joint Committee on Taxation, and it is the only proposal—our bill, the only proposal—they have scored, we can give to the Senator from West Virginia and any other Member of the Senate—the other 98 Senators not here—we can give them the actual numbers that have been furnished by the official scorekeeper, the Joint Committee on Taxation, so we can be in a position to have a real debate.

There has been an enormous amount of groundwork done on this issue. I have already mentioned the similarity and reforms on the individual rates. The corporate rate reform proposals are similar. Repealing the alternative minimum tax is in our bill. It is in all of the bills. We understand what a crushing burden this alternative minimum tax is.

We have middle-class folks all over America, and the Presiding Officer probably has somebody who, say, is on the police force in a town in West Vir-

ginia, and perhaps that police officer's spouse is a teacher, and they can be filling out their taxes twice with this bureaucratic nightmare called the alternative minimum tax. It wasn't intended for those kinds of people. It was intended for wealthier people who had managed to get out of paying taxes altogether.

So we are in a position to move forward. What I and others have said is that if we started in the supercommittee by laying a baseline, a foundation—they already have an opportunity for simplicity by moving from those six brackets to three; they already have an opportunity on the corporate rate where essentially all of the reforms are in the vicinity of going from 35 percent to the mid-twenties, all of the reforms talking about abolishing the alternative minimum taxes, all of the reforms talking about getting taxpayers, individuals, and businesses off the roller coaster of constant tax changes—the supercommittee could make a very significant start on major tax reform by the end of the year, and then early next year we could have a guaranteed legislative process.

Let me use those words specifically. We could have a guaranteed legislative process where the Finance Committee, under the leadership of Chairman BAUCUS, and the Ways and Means Committee, under the leadership of Chairman CAMP, could enact permanent tax reform by early next year.

I have already talked about how markets work. I think if this holiday season the American consumer can have a sense that we are going to make a break with tax policy as we know it today—we are going to stop all of these piecemeal, temporary changes, and we are going to make permanent changes that are going to be built around reform principles which are widely accepted—ever since the 1980s when Democrats and Ronald Reagan worked together on tax reform, the fundamentals of tax reform have been very clear. They are all about eliminating preferences—all of these special interest tax breaks and dodges and loopholes and preferences, eliminating them—and using those dollars to hold down the marginal rate, the rate we pay on the last dollar we earn while keeping progressivity, while keeping a sense of fairness.

Those principles are very clear. All the reform proposals are based on them. It sure seems to me if middle-class people can have the certainty of knowing that tax policy is going to change so they can start making decisions about their economic future and have a real sense that it isn't going to just change in a year, that it isn't just temporary, I think we will start seeing beneficial changes in the American marketplace very quickly. That, of course, is what tax reform is all about. It is about getting consumers back into the marketplace and about businesses growing again because they know they are going to have more consumers and

they know they are going to be in a better position to compete in tough global markets. That means jobs.

I wish to wrap up by talking about tax reform and jobs—and, remember, we have not had fundamental tax reform for a quarter century. For a quarter century, this country has been making almost one tax change a day—almost one tax change a day—thousands and thousands of tax changes cumulatively. Talk about what that means for uncertainty for a business and a consumer. We can make a break with that and do what was done in 1986, which translated into a big boost for our economy.

I wish to give the numbers specifically so folks will see what this tax reform issue is all about. According to the Bureau of Labor Statistics, in the 2 years after the 1986 tax reform bill our country created 6.3 million new jobs. I said 6.3 million new jobs. That sounds pretty good. I think that would go over pretty well at a coffee shop in West Virginia, and it certainly does in Oregon.

I am not going to come to the floor and say every one of those jobs is due to tax reform. There are a host of issues that go into judgments with respect to why consumers buy those appliances and those basic necessities and why businesses invest and hire. But I will tell my colleagues one thing: We couldn't have generated 6.3 million new jobs in the 2 years after the 1986 tax reform bill if we had seen a tax reform proposal enacted that didn't make sense for the American economy. It wouldn't have happened.

Clearly, consumers and businesses believed this was a proposal moved by a Republican President, Ronald Reagan, and a host of very progressive Democrats—folks such as Congressman Dick Gephardt who later ran for President with strong backing of American labor. They came together and created 6.3 million new jobs in 2 years with the kinds of reforms that Senator COATS and former Senator Gregg and Senator BEGICH and I advocate now, that are in line with the fundamental thinking of the Bowles-Simpson proposal, the reforms proposal by former President George Bush, and President Obama's own commission directed by Paul Volcker.

We have a chance now to make fundamental changes—fundamental changes—that will change the direction of our economy and the psychology of the American marketplace. In this debate, we can talk, for example, about the issues that are front and center with American workers. I am certain that in those coffee shops in West Virginia, one of the things that is said again and again is: Senator, make sure you keep the jobs here. Keep them at home. We are tired of all those jobs going offshore.

Senator COATS and I have a proposal that takes away the tax breaks for shipping jobs overseas and uses those dollars to create jobs here at home—

red, white, and blue jobs, jobs that pay good wages here in the United States because we change tax policy and make it more attractive to do business in the United States.

We can talk about the various ways to do it. There is discussion about a territorial system, there is discussion about a worldwide taxation system for the multinational corporations. The bottom line—again, reflected in all of the reform proposals—is that competitive rates, which means lowering rates for small business and businesses of all sizes doing business in the United States, will help us create more jobs, and they will be red, white, and blue jobs. They will be jobs here in the United States.

So I assume this weekend—whether it is in coffee shops or on talk shows or wherever—people are going to be talking about this discussion about taxes, and they will say: Oh, I don't know if those folks in Washington are going to get anything done. And if they do anything, it will probably be a temporary thing, and they will all talk about why, if you had real tax reform, it might not do anything soon. And, well, it will take a lot more study, and that sort of thing.

I have been convincing this morning about why I believe permanent tax reform—permanent tax reform—will start changing the behavior of consumers in the marketplace, get them back into the marketplace, buying those products that fuel a consumer-driven economy. They will start doing it quickly if they see permanent tax reform enacted. I hope I have been able to clearly outline why a great deal of groundwork has been done already to allow us to move forward—not do the entire tax reform effort in the 6 or 8 weeks that the supercommittee has, but to get a foundation, a baseline in place, a baseline that is built around these areas of consensus, changes that are advocated, essentially, by all the reform proposals, and then allow the Senate Finance Committee, under the leadership of Chairman BAUCUS, and the House Ways and Means Committee, under the leadership of Chairman DAVE CAMP, to use the first few months of next year with their committees—the committees of jurisdiction; the Finance Committee here in the Senate, and the Ways and Means Committee in the other body—that they take the first 90 or 120 days to enact permanent tax reforms.

I think that will be a huge boost for the American economy. I think it will change the behavior of American consumers and American business because that is what markets do. They react when positive and permanent changes are put in place.

This can be thoroughly bipartisan. It was in 1986 when a whole host of quite progressive Democrats got together with Ronald Reagan. I have had the pleasure, over the last few years, to work with two outstanding Members on the other side of the aisle, former

Senator Gregg and Senator COATS, and Senator BEGICH of Alaska, a former small businessperson.

This is not like health care; we have done it before. The reform proposals are very much built around the same sort of principles which were the fundamentals of tax reform in 1986. While I know there is going to be considerable debate this weekend about whether tax reform can be done, whether it is going to change anybody's behavior or change anybody's behavior soon, I wanted to weigh in and outline why looking at the principles of the market, I believe, is going to change consumer behavior, change consumer and business behavior for the better, and that there has been a lot of groundwork laid that we can build on.

There is an opportunity, an opportunity for Democrats and Republicans in this Chamber to come together and take steps, steps that will end this anti-growth mess of a tax system, and give our consumers and businesses the certainty and predictability they need to grow, to come back into the American economy.

We will talk some more about this on the floor of this great body in the days ahead. I just want the American people to know this is an opportunity where, if there is a will to do permanent tax reform, there is a way to get it done.

Mr. President, with that, I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENDING THE GENERALIZED SYSTEM OF PREFERENCES—MOTION TO PROCEED

Mr. REID. Mr. President, I now move to proceed to Calendar No. 166, H.R. 2832.

The ACTING PRESIDENT pro tempore. The clerk will report the motion.

The assistant legislative clerk read as follows:

Motion to proceed to the bill (H.R. 2832) to extend the Generalized System of Preferences, and for other purposes.

CLOTURE MOTION

Mr. REID. Mr. President, I have a cloture motion at the desk.

The ACTING PRESIDENT pro tempore. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to Calendar No. 166, H.R. 2832, an act

to extend the Generalized System of Preferences, and for other purposes.

Harry Reid, Max Baucus, Robert P. Casey, Jr., Mark Udall, Debbie Stabenow, Jeff Bingaman, Daniel K. Inouye, Maria Cantwell, Patty Murray, Richard Blumenthal, Michael F. Bennet, Patrick J. Leahy, Tom Harkin, Barbara Boxer, Kent Conrad, Sherrod Brown, Carl Levin.

Mr. REID. Mr. President, I ask unanimous consent that the mandatory quorum required under rule XXII be waived and at 5:30 p.m., Monday, September 19, the Senate proceed to vote on the motion to invoke cloture on the motion to proceed to H.R. 2832.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID. Mr. President, first of all, I want everyone within the sound of my voice to understand that I do not like the Colombia Free Trade Agreement, the Korea Free Trade Agreement, or the Panama Free Trade Agreement. I will vote against them. But I have been asked on numerous occasions to move these trade matters to the floor.

That is what I have agreed to do, and I am going to do that. But it is very difficult for me to understand, when my Republican colleagues, the Chamber of Commerce, and others support these trade agreements, and they want them done, and now when I want to move to them, I cannot do it. It is hard to comprehend that we have to file cloture on a motion to proceed to an agreement we have. The agreement we have is that we are going to do trade adjustment assistance, and a few other steps in the middle, and then we are going to do the free trade agreements. Again, this is the pattern we have experienced for the last 8 months. It doesn't matter what it is.

This is something they agreed with. We are attempting to move to the free trade agreements and they are stopping us from doing that.

I hope the American people get the picture, and I am confident they are getting the picture more clearly every day. There isn't a thing we can bring up here that they don't stall to the very limit of the procedures here.

Again, we are going to move to the free trade agreements. The first part of the deal is trade adjustment assistance. We have to invoke cloture to do this. I think that is a travesty and it is too bad.

MORNING BUSINESS

BUDGETARY ADJUSTMENTS

Mr. CONRAD. Mr. President, last week, pursuant to section 106 of the Budget Control Act of 2011, I filed new committee allocations, new budgetary and Social Security aggregates, and a revised pay-as-you-go scorecard. Today, I am adjusting some of those levels, specifically the allocation to the Committee on Appropriations for fiscal year 2012 and the budgetary aggregates for fiscal years 2011 and 2012.

First, as specified under section 106(b)(1), I filed new allocations to the Committee on Appropriations. For 2012, that allocation was set consistent with the sum of the two limits on discretionary spending set forth in the Budget Control Act. Section 101 of the Budget Control Act establishes a limit of \$684 billion in new budget authority for the security category and \$359 billion in new budget authority for the nonsecurity category, for a total of \$1,043 billion. To match the divisions provided by the Budget Control Act, I am subdividing the initial allocation of \$1,043 billion in budget authority provided to the Committee on Appropriations into two separate amounts, \$684 billion for security funding and \$359 billion for nonsecurity funding.

Second, section 101 of the Budget Control Act allows for various adjustments to the statutory limits on discretionary spending, while section 106(d) allows the chairman of the Budget Committee to make revisions to allocations, aggregates, and levels consistent with those adjustments. The Committee on Appropriations reported three bills last week that are eligible for adjustments under the Budget Control Act. In total, I am making adjustments to the 2012 allocation to the Committee on Appropriations and the

budgetary aggregates of \$5.769 billion in budget authority and \$1.157 billion in outlays. Those adjustments reflect the sum of \$5.511 billion in budget authority and \$0.958 billion in outlays for funding designated for disaster relief, \$0 in budget authority and -\$0.007 billion in outlays for funding designated as an emergency, and \$0.258 billion in budget authority and \$0.206 billion in outlays for funding designated as being for overseas contingency operations.

Finally, I am making technical adjustments to the 2011 and 2012 budgetary aggregates. These adjustments are being made to remove amounts that the Senate allocates to the Appropriations Committee each year but does not count as part of the spending aggregates. A similar adjustment will be made at the time the Congress clears the relevant appropriations bills, such that the adjustments do not change the total amount of room that is available to the Senate under the aggregates in either year.

I ask unanimous consent that the following tables detailing the changes to the allocation to the Committee on Appropriations and the budgetary aggregates be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BUDGETARY AGGREGATES.—PURSUANT TO SECTION 106(b)(1)(C) OF THE BUDGET CONTROL ACT OF 2011 AND SECTION 311 OF THE CONGRESSIONAL BUDGET ACT OF 1974

[In millions of dollars]

	2011	2012
Current Spending Aggregates:		
Budget Authority	3,076,930	2,854,385
Outlays	3,167,997	2,987,419
Adjustments:		
Budget Authority	-6,045	-396
Outlays	-6,023	-4,998
Revised Spending Aggregates:		
Budget Authority	3,070,885	2,853,989
Outlays	3,161,974	2,982,421

REVISIONS TO THE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS TO THE COMMITTEE ON APPROPRIATIONS PURSUANT TO SECTION 106 OF THE BUDGET CONTROL ACT OF 2011 AND SECTION 302 OF THE CONGRESSIONAL BUDGET ACT OF 1974

[In millions of dollars]

	Initial allocation/limit	Subdivide 2012 budget authority	Current allocation/limit	Adjustment	Revised allocation/limit
Fiscal Year 2011:					
General Purpose Discretionary Budget Authority	1,211,141	n/a	1,211,141	0	1,211,141
General Purpose Discretionary Outlays	1,391,055	n/a	1,391,055	0	1,391,055
Fiscal Year 2012:					
General Purpose Budget Authority	1,043,000	n/a	n/a	n/a	n/a
Security Discretionary Budget Authority	n/a	684,000	684,000	4,458	688,458
Nonsecurity Discretionary Budget Authority	n/a	359,000	359,000	1,311	360,311
General Purpose Discretionary Outlays	1,262,000	n/a	1,262,000	1,157	1,263,157

DETAILS ON ADJUSTMENTS TO FISCAL YEAR 2012 ALLOCATIONS TO COMMITTEE ON APPROPRIATIONS PURSUANT TO SECTION 106 OF THE BUDGET CONTROL ACT OF 2011

[In billions of dollars]

	Disaster relief	Emergency	Overseas contingency operations	Total
Homeland Security:				
Budget Authority	4.200	0.000	0.258	4.458

DETAILS ON ADJUSTMENTS TO FISCAL YEAR 2012 ALLOCATIONS TO COMMITTEE ON APPROPRIATIONS PURSUANT TO SECTION 106 OF THE BUDGET CONTROL ACT OF 2011—

Continued

[In billions of dollars]

	Disaster relief	Emergency	Overseas contingency operations	Total
Outlays	0.084	— 0.007	0.206	0.283
Agriculture:				
Budget Authority	0.266	0.000	0.000	0.266
Outlays	0.107	0.000	0.000	0.107
Energy and Water:				
Budget Authority	1.045	0.000	0.000	1.045
Outlays	0.767	0.000	0.000	0.767
Total:				
Budget Authority	5.511	0.000	0.258	5.769
Outlays	0.958	— 0.007	0.206	1.157
Memorandum:				
Security Budget Authority	4.200	0.000	0.258	4.458
Nonsecurity Budget Authority	1.311	0.000	0.000	1.311
General Purpose Outlays	0.958	— 0.007	0.206	1.157

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 10:36 a.m., a message from the House of Representatives, delivered by Mr. Novotny, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2887. An act to provide an extension of surface and air transportation programs, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. INOUE).

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

H.R. 2587. An act to prohibit the National Labor Relations Board from ordering any employer to close, relocate, or transfer employment under any circumstance.

ADDITIONAL COSPONSORS

S. 1094

At the request of Mr. MENENDEZ, the name of the Senator from New Hampshire (Mrs. SHAHEEN) was added as a cosponsor of S. 1094, a bill to reauthorize the Combating Autism Act of 2006 (Public Law 109-416).

S. 1369

At the request of Mr. CRAPO, the name of the Senator from West Vir-

ginia (Mr. MANCHIN) was added as a cosponsor of S. 1369, a bill to amend the Federal Water Pollution Control Act to exempt the conduct of silvicultural activities from national pollutant discharge elimination system permitting requirements.

S. 1507

At the request of Mr. HATCH, the names of the Senator from Arizona (Mr. KYL), the Senator from South Carolina (Mr. DEMINT), the Senator from Alabama (Mr. SESSIONS), the Senator from South Dakota (Mr. THUNE), the Senator from Kentucky (Mr. PAUL), the Senator from Florida (Mr. RUBIO), and the Senator from Wisconsin (Mr. JOHNSON) were added as cosponsors of S. 1507, a bill to provide protections from workers with respect to their right to select or refrain from selecting representation by a labor organization.

S. 1517

At the request of Mr. LAUTENBERG, the name of the Senator from Alaska (Mr. BEGICH) was added as a cosponsor of S. 1517, a bill to provide for the creation of jobs.

ORDERS FOR MONDAY, SEPTEMBER 19, 2011

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 2 p.m. on Monday, Sep-

tember 19; that following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day; that following leader remarks, the Senate be in a period of morning business until 4:30 p.m., with Senators permitted to speak therein for up to 10 minutes; that following morning business, the Senate resume consideration of the motion to proceed to Calendar No. 166, H.R. 2832, the GSP Act, with the time until 5:30 p.m. equally divided and controlled between Senators BAUCUS and HATCH or their designees.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PROGRAM

Mr. REID. Mr. President, the next rollcall vote will be on Monday at 5:30.

ADJOURNMENT UNTIL MONDAY, SEPTEMBER 19, 2011, AT 2 P.M.

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it adjourn under the previous order.

There being no objection, the Senate, at 11:17 a.m., adjourned until Monday, September 19, 2011, at 2 p.m.